GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3181
ANSWERED ON:22.03.2002
FUNDS TO BIHAR FOR PANCHAYATI RAJ
RAJO SINGH

Will the Minister of FINANCE be pleased to state:

(a) the amount released to State Government of Bihar for the development of Panchayats following the recommendations of the Tenth Finance Commission;

(b) the year-wise details thereof, till now; and

(c) the date by which the remaining amount of the instalment is likely to be released to the State?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c): The Tenth Finance Commission (TFC) had recommended total grants of Rs. 507.19 crore to Bihar for Panchyati Raj Institutions (PRIs) for the period 1996-97 to 1999-2000. An ad-hoc release of PRI grants amounting to Rs. 126.80 crore had been made to the State Government during 1996-97.

As per the guidelines issued by Ministry of Finance, the Local Body Grants recommended by the TFC was part of a larger Constitutional scheme of devolution of functions & responsibilities from the State to local bodies with mandatory elections so that they could function as effective units of local self-government. Hence, the grants were to be released only in respect of elected local bodies wherever such elections were mandatory under the Constitution. Since due elections to PRIs in Bihar had not been held during the TFC period 1995-2000, balance of TFC grants could not be released to the State Government. Entitlements to grants recommended by any Finance Commission lapse after the period of its recommendations get over.